

REMARKS/ARGUMENTS

In the Office Action mailed December 28, 2005, claims 1-2, 4-6 and 8-21 were rejected under 35 U.S.C. 102(e) over U.S. Patent No. 6,714,918 to *Hillmer*. The Amendment amends claims 1, 6 and 16 to include associating information about stored value products from different product issuers based on a common load source account that was used to purchase or reload value onto the products. Support for the amendment can be found, among other places, in the Specification on p. 10, lns. 18-25. No new matter is believed added by the amendment, and reconsideration of the application is respectfully requested in light of the amendment and the following remarks.

The present invention includes fraud management systems and methods to prevent the laundering of stolen funds into stored value products like gift cards. Thieves who traffic in stolen credit card accounts and bank accounts have long understood that they quickly have to convert the funds in these accounts into more anonymous forms of currency such as cash, gold, jewelry, *etc.* More recently, they have discovered that stored value products that can be purchased in merchant stores and over the Internet without revealing personal information such as the their name, address, telephone number, or other type of personal identification. This makes the stored value product almost as anonymous as cash.

Thieves also like stored value products because they can purchase them in a way that circumvents conventional methods of fraud detection based on a payment account's "transaction velocity." A transaction velocity may be determined from the number of transactions being conducted with the account over a predefined period, the amount transacted over the period, *etc.* Accounts that have a suspiciously high transaction velocity may be flagged as potentially being involved in fraudulent transactions. To avoid raising suspicion, the thieves spread out their fraudulent transactions among several stored value products issued by different issuers. Because the issuers have little information about who is using the card, and do not communicate with each other, the transaction velocity for each stored value card appears normal.

Hillmer described a conventional system and method of detecting fraudulent transactions that thieves try to thwart by spreading transactions over several stored value products. *Hillmer* described calculating a transaction velocity to perform a velocity check against a customer (*see* col. 9, lns. 21-32). Transactions included in the velocity check were aggregated based on the customer's identity, a credit card account number, a checking account number, an address, or a frequency of address change (*see* col. 9, lns. 32-35). Unfortunately, none of these identifiers would aggregate the transactions of a thief who spreads out transactions among several anonymous stored value accounts. Each stored value product has a different account number, and information about the product user is generally not available. Thus, the transaction velocities of each individual account are low enough to avoid the fraud detection system described in *Hillmer*.

The present claims, as amended, include the element of associating the purchase (*i.e.*, loading) of a first and second stored value product from different issuers based on the a common load source account (*e.g.*, stolen credit card or bank account) that was used to purchase the products. Once the initial association is made, the transaction histories of all the stored value products can be aggregated to provide a more accurate transaction velocity of the products. This increases the chances of detecting fraud using a transaction velocity check.

Hillmer neither described nor suggested associating the transactions on a first and second stored value product based on the a common load source account. Instead *Hillmer* described a conventional system and method of doing a velocity check that relied on a common account number, address, or user identity to aggregate transactions. For at least these reasons, the claims are allowable over *Hillmer*. Accordingly, withdrawal of the rejection of amended claims 1-2, 4-6 and 8-21 under 35 U.S.C. § 102(e) over *Hillmer* is respectfully requested.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Appl. No. 10/690,394
Amdt. dated March 30, 2006
Reply to Office Action of December 28, 2005

PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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